

**WEST SIOUX
COMMUNITY SCHOOL DISTRICT
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2009**

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2009
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WEST SIOUX COMMUNITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

Board of Education (Before September 2008 Election)

		Term Expires
Armando Ortiz	President	2009
Tim McKenney	Vice President	2008
Doug Smit	Board Member	2009
Curt Anderson	Board Member	2009
Teresa Vande Pol	Board Member	2008

Board of Education (After September 2008 Election)

Doug Smit	President	2009
Armando Ortiz	Vice President	2009
Ryan Schwiesow	Board Member	2011
Jody Anderson	Board Member	2011
Curt Anderson	Board Member	2009

School Officials

Paul Olson	Superintendent	2009
Paula Bartunek	Treasurer and Business Manager	2009
Karin Borchers	District Secretary	2009
James Pickner	Attorney	2009



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INDEPENDENT AUDITORS' REPORT

To the Board of Education of
West Sioux Community School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the West Sioux Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Sioux Community School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of West Sioux Community School District as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2010, on our consideration of the West Sioux Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Sioux Community School District's basic financial statements. The financial statements for the three years ended June 30, 2006, (none of which are presented herein) were audited by other auditors in accordance with the standards referred to in the second paragraph of this report and they expressed unqualified opinions on them. The financial statements for the two years ended June 30, 2008 (not presented) were audited by us in accordance with the standards referred to in the second paragraph of this report and we expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Le Mars, Iowa
March 25, 2010

Management Discussion and Analysis

West Sioux Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2008 Financial Highlights

- General Fund revenues increased from \$6,521,251 in fiscal year 2008 to \$6,870,326 in fiscal year 2009, while General Fund expenditures decreased from \$7,203,960 in fiscal year 2008 to \$6,983,261 in fiscal 2009. The District's General Fund balance decreased from \$(522,801) in fiscal 2008 to \$(624,186) in fiscal year 2009, a 19.4% decrease.
- The increase in General Fund revenues was attributable to an increase in state and federal revenue in fiscal 2009 as well as an increase in property tax revenue. The decrease in expenditures was due primarily to a decrease in support services. The General Fund balance will be carefully monitored during the year keeping in mind the fluctuation in revenues caused by legislative action and student enrollments.

Using this Annual Report

The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of West Sioux Community School District as a whole and present an overall view of the District's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report West Sioux Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.
- Other Supplementary Information provides detailed information about the nonmajor Special Revenue Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
West Sioux Community School District Annual Financial Report

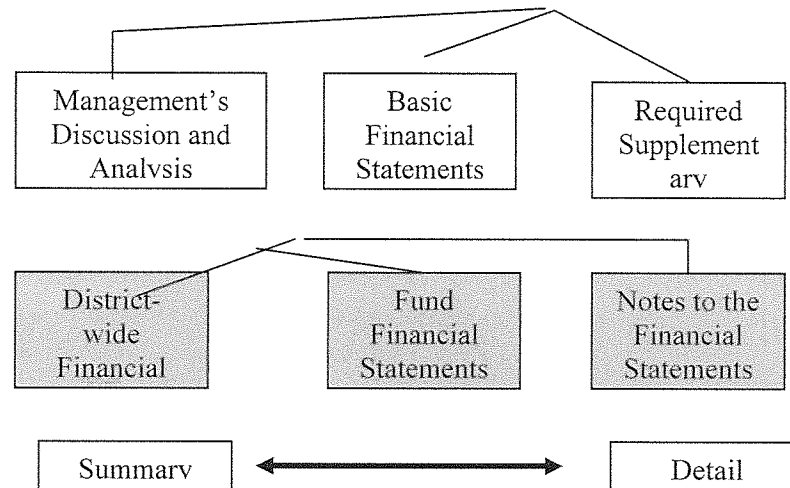


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2: Major Features of the District Wide and Fund Financial Statements			
	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services is included here
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenditures, and changes in fund net assets • Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's Food Service, Before and After School/Daycare, and Preschool program would be included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to repay its long-term debts, or to show that it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

1. *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balance

2. *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail

and additional information, such as cash flows. The District currently has three Enterprise Funds; the School Nutrition Fund, Before and After School Fund/Daycare, and Preschool Fund.

The required financial statements for governmental funds include a statement of net assets, a statement of revenues, expenditures and changes in fund net assets and a statement of cash flows.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

Government-wide Financial Analysis

Figure A-3 below provides a summary of the District's net assets at June 30, 2009 compared to June 30, 2008.

Figure A-3 Condensed Statement of Net Assets

	Governmental Activities		Business-type Activity		Total District		Total % Change
	June 30		June 30		June 30		June 30
	2008	2009	2008	2009	2008	2009	2008/2009
Current and other assets	\$ 5,796,757	\$ 7,400,071	\$ (95,778)	\$ (245,859)	\$ 5,700,979	\$ 7,154,212	25.49%
Capital Assets	5,684,916	5,449,684	66,453	461,664	5,751,369	5,911,348	2.78%
Total Assets	11,481,673	12,849,755	(29,325)	215,805	11,452,348	13,065,560	14.09%
Current Liabilities	5,684,768	6,954,000	7,318	7,973	5,692,086	6,961,973	22.31%
Long-Term Liabilities	3,897,301	3,911,386	-	-	3,897,301	3,911,386	0.36%
Total Liabilities	9,582,069	10,865,386	7,318	7,973	9,589,387	10,873,359	13.39%
Net Assets Invested in capital assets, net of related debt	1,539,916	1,389,085	66,453	461,664	1,606,369	1,850,749	15.21%
Restricted	444,864	510,338	-	-	444,864	510,338	14.72%
Unrestricted	(85,176)	84,946	(103,096)	(253,832)	(188,272)	(168,886)	-10.30%
Total Net Assets	\$ 1,899,604	\$ 1,984,369	\$ (36,643)	\$ 207,832	\$ 1,862,961	\$ 2,192,201	17.67%

The District's combined net assets increased by 17.67% or approximately \$329,000 over the prior year. The largest portion of the District's net assets is the invested in capital assets less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased approximately \$65,000 or 14.72% more than the prior year. The increase was primarily a result of increased revenues in the Physical Plant and Equipment Fund.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or the legal requirements – decreased approximately \$19,000 or 10.3%.

Figure A-4 shows the changes in net assets for the year ended June 30, 2009 compared to the year ended June 30, 2008.

Figure A-4 Changes in Net Assets from Operations

	Governmental Activities		Business -Type Activity		Total District		Total % Change
	June 30		June 30		June 30		June 30
	2008	2009	2008	2009	2008	2009	2008/2009
Revenue:							
Program revenue:							
Charges for services	\$ 584,269	\$ 590,251	\$ 164,006	\$ 194,758	\$ 748,275	\$ 785,009	4.91%
Operating grants and contributions	1,099,054	1,252,616	167,970	227,119	1,267,024	1,479,735	16.79%
Capital grants and contributions	-	137,455	-	-	-	137,455	100.00%
General revenues:							
Property tax	2,206,842	2,423,217	-	-	2,206,842	2,423,217	9.80%
Instruction support tax	147,079	166,303	-	-	147,079	166,303	13.07%
Local option sales tax	388,442	540,943	-	-	388,442	540,943	39.26%
Unrestricted state grants	3,280,046	3,305,716	-	-	3,280,046	3,305,716	0.78%
Unrestricted investment earnings	79,559	105,938	385	980	79,944	106,918	33.74%
Other	47,209	19,763	1,008	1,052	48,217	20,815	-56.83%
Transfers	-	(398,053)	-	398,053	-	-	100.00%
Total Revenue	7,832,500	8,144,149	333,369	821,962	8,165,869	8,966,111	9.80%
Program expenses:							
Instruction	5,278,585	5,678,330	-	-	5,278,585	5,678,330	7.57%
Support service	2,457,044	2,037,605	-	-	2,457,044	2,037,605	-17.07%
Non-instructional programs	2,642	1,194	385,067	577,487	387,709	578,681	49.26%
Other expenses	457,198	478,648	-	-	457,198	478,648	4.69%
Total expenses	8,195,469	8,195,777	385,067	577,487	8,580,536	8,773,264	2.25%
Change in net assets	\$ (362,969)	\$ (51,628)	\$ (51,698)	\$ 244,475	\$ (414,667)	\$ 192,847	146.51%

In fiscal year 2009, property tax, local option sales tax, and unrestricted state grants account for 77% of the total revenue from governmental activities while charges for services and operating grants and contributions account for 51.3% of the revenue from business type activities. The District's expenses primarily relate to instruction and support services, which account for 94.1% of the total expenses.

The District's total revenues were approximately \$8.96 million of which \$8,144,149 was for governmental activities and \$821,962 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 9.8% increase in revenues and a 2.25% increase in expenses. The capital grant and contribution revenue increased as a result of a community development block grant received through the City of Ireton for the construction/remodeling of a building to be used for the District's daycare program. Property tax revenue increased as a result of an increased general fund levy and property, plant and equipment fund levy.

Charges for services in the business-type activities increased primarily due to the charges for the daycare program. Expenses for the business-type activities increased due to the costs incurred for the daycare program and preschool which are new programs provided by the District.

Governmental Activities

Figure A-5 presents the cost of four major district activities: instruction, support services, non-instructional, and other. The table also shows each activity's net cost (total cost less fees generated by activities and intergovernmental aid provided for specific programs.) The net cost shows the financial impact placed on the taxpayers by each function.

Figure A-5 Total and Net Cost of Government Activities

	Total Cost of Services			Net Cost of Services		
	2008	2009	% Change 2008-2009	2008	2009	% Change 2008-2009
Instruction	\$5,278,585	\$5,678,330	7.57%	\$3,903,216	\$4,156,324	6.48%
Support services	2,457,044	2,037,605	-17.07%	2,414,278	1,989,208	-17.61%
Non-Instructional	2,642	1,194	-54.81%	(1,583)	-	-100.00%
Other	457,198	478,648	4.69%	196,235	69,923	-64.37%
Totals	<u>\$8,195,469</u>	<u>\$8,195,777</u>	<u>0.00%</u>	<u>\$6,512,146</u>	<u>\$6,215,455</u>	<u>-4.56%</u>

- The cost financed by users of the District's programs was \$590,251.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,390,071.
- The net cost of governmental activities was financed with \$3,130,463 in property and other taxes and \$3,305,716 in unrestricted state grants.

Business Type Activities

Revenues and transfers for business type activities during the year ended June 30, 2009 were \$821,962, representing a 128% increase over the prior year, while expenses were \$577,487, a 50% increase over the prior year. The District's business type activities include the School Nutrition Fund, Before and After School/Daycare and Preschool Programs. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, West Sioux Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$449,126, \$10,449 below last year's ending fund balances of \$459,575. The primary reason for the decrease in combined fund balances in fiscal 2009 is due to the expenditures related to increases in the negotiated salary and benefits and decline in student enrollment.

Governmental Fund Highlights

- The District's deteriorating General Fund financial position is the result of many factors. However, the increase in revenues was more than offset by the District's increase in General Fund expenditures requiring the District to borrow from ISCAP to meet its financial obligations during the year.

- The General Fund balance decreased from \$(522,801) to \$(624,186), due in part to the negotiated salary and benefits settlement, existing expenditure commitments of the District and declining enrollment.
- The Capital Projects Funds balance decreased due to the construction costs incurred on the daycare building. The District ended fiscal year 2008 with a \$566,810 balance and ended fiscal year 2009 with a balance of \$504,588.

Proprietary Fund Highlights

The Before and After School/Daycare fund net assets increased from \$(3,188) at June 30, 2008 to \$299,331 at June 30, 2009. The increase was the result of the financing of the daycare building construction costs with local option sales tax revenue (governmental revenue).

BUDGETARY HIGHLIGHTS

The District's receipts were \$82,888 more than budgeted receipts. The most significant variance resulted from the District receiving more local option sales tax than what was originally budgeted.

Total expenditures were more than budgeted by only \$10,339. Costs in the non-instructional program and other expenditures function exceeded budget due to daycare building construction costs not budgeted as well as preschool and daycare program costs being under estimated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had invested \$ 5.9 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 2.8% from last year. More detailed information about the District's capital assets is presented in Note 6 to the financial statements. Depreciation expense for the year was \$258,397.

Figure A-6 Capital Assets

	Governmental Activities		Business type Activities		Total School District		Total % Change
	June 30		June 30		June 30		June 30
	2008	2009	2008	2009	2008	2009	2008-2009
Land	\$ 51,375	\$51,375	\$ -	\$ -	\$51,375	\$ 51,375	0.00%
Construction in Progress	-	-	-	395,579	-	395,579	100.00%
Buildings & Improvements	5,312,820	5,131,249	-	-	5,312,820	5,131,249	-3.42%
Furniture & Equipment	320,721	267,060	66,453	66,085	387,174	333,145	-13.95%
Totals	<u>\$5,684,916</u>	<u>\$5,449,684</u>	<u>\$ 66,453</u>	<u>\$461,664</u>	<u>\$5,751,369</u>	<u>\$5,911,348</u>	<u>2.78%</u>

Long-Term Debt

At June 30, 2009, the District had \$3,850,000 in general obligation long-term outstanding, \$200,000 in bond anticipation notes, \$10,599 in capital lease obligations and \$261,108 in early retirement obligations. During the year the District issued \$3,850,000 of Series 2009 general obligation refunding bonds which were used to current refund \$3,810,000 in Series 1998A general obligation bonds. Additional information about the District's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The financial history of the State of Iowa's support for public K-12 schools has translated into restricted levels of state aid funding for education at the local level. Future needs of the district will continue to grow and it is hoped that allowable growth would match the needs of public K-12 education.
- District enrollment has decreased in fiscal year 2008-2009 by 18 students to a certified enrollment of 715.17 for fiscal year 2009. Under Iowa's school finance formula, funding is highly dependent upon enrollment. During the 2008-2009 school year, West Sioux students who open enrolled out to other districts decreased by 6 students, from 67 to 61. Because West Sioux is the resident district, the student is counted for state funding, but then funding is paid to the receiving district. Future enrollment stability is a critical element in maintaining a sound financial foundation.
- The District annually negotiates a one-year contract with the West Sioux Education Teacher Association (WSETA). Settlements in excess of "new money" or allowable growth in state funding will have an adverse effect on the District's General Fund budget and related fund balance.
- The District had to appear before the School Budget Review Committee for overspending on the Unspent Authorized Budget in the amount of \$59,245. A workout plan was submitted to, and approved by the SBRC. The District is working to decrease expenditures and stay within the authorized budget.
- In Fiscal Year 2009 a Daycare and Preschool were added to the District. These programs are to be self supporting. The District will apply to the State for a Preschool Grant for Fiscal Year 2010.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Paula Bartunek, Business Manager at the West Sioux Community School District, 1300 Avenue P, Hawarden, IA 51023 or 712-551-1461.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government			Component Unit
	Governmental	Business		West Sioux
	Activities	Type	Total	Educational
		Activities		Foundation
ASSETS				
Cash and Temporary Cash Investments	\$ 1,381,494	\$ 97,691	\$ 1,479,185	\$ 15,647
Investments	-	-	-	370,874
Receivables:				
Property Tax	51,386	-	51,386	-
Succeeding Year Property Tax	3,430,453	-	3,430,453	-
Income Surtax	146,660	-	146,660	-
Accounts	9,186	825	10,011	-
Internal Balances	362,917	(362,917)	-	-
Due from Other Governments	264,246	16,017	280,263	-
Restricted Assets:				
Cash and Pooled Investments	68,694	-	68,694	-
ISCAP Investments	1,644,203	-	1,644,203	-
ISCAP Interest Receivable	6,278	-	6,278	-
Inventories	-	2,525	2,525	-
Bond Issue Costs	34,554	-	34,554	-
Land	51,375	-	51,375	-
Construction in Progress	-	395,579	395,579	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	5,398,309	66,085	5,464,394	-
Total Assets	12,849,755	215,805	13,065,560	386,521
LIABILITIES				
Accounts Payable	202,977	4,936	207,913	-
Salaries and Benefits Payable	672,898	-	672,898	-
Accrued Interest Payable	28,649	-	28,649	-
Unearned Revenue	105,346	3,037	108,383	-
Deferred Revenue - Succeeding Year Taxes	3,430,453	-	3,430,453	-
ISCAP Unamortized Premium	33,011	-	33,011	-
ISCAP Interest Payable	6,345	-	6,345	-
Noncurrent Liabilities:				
Due Within One Year:				
ISCAP Warrants Payable	2,064,000	-	2,064,000	-
Bonds Payable	355,000	-	355,000	-
Lease Obligations Payable	3,058	-	3,058	-
Early Retirement Payable	52,263	-	52,263	-
Due in More Than One Year:				
Lease Obligations Payable	7,541	-	7,541	-
Bond Anticipation Notes	200,000	-	200,000	-
Early Retirement Payable	208,845	-	208,845	-
Bonds Payable	3,495,000	-	3,495,000	-
Total Liabilities	10,865,386	7,973	10,873,359	-
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,389,085	461,664	1,850,749	-
Restricted for:				
Categorical Funding	110,414	-	110,414	-
Debt Service	95,321	-	95,321	-
Management Levy	61,950	-	61,950	-
Physical Plant and Equipment Levy	103,593	-	103,593	-
Other Special Revenue Purposes	139,060	-	139,060	-
Unrestricted	84,946	(253,832)	(168,886)	386,521
Total Net Assets	\$ 1,984,369	\$ 207,832	\$ 2,192,201	\$ 386,521

See Accompanying Notes to Financial Statements

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants Contributions	Capital Grants Contributions
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 2,837,782	\$ 112,301	\$ 547,646	\$ -
Special Instruction	2,056,196	6,794	388,184	-
Other Instruction	784,352	453,046	14,035	-
Support Services:				
Student Services	169,484	11,910	-	-
Instructional Staff Services	222,968	-	-	-
Administration Services	734,767	6,000	-	-
Operation and Maintenance	621,052	200	-	-
Transportation Services	289,334	-	30,287	-
Non-instructional Programs	1,194	-	1,194	-
Other Expenditures:				
Facilities Acquisition and Construction Services	11,086	-	-	137,455
Long-term Debt Interest	196,292	-	-	-
AEA Flowthrough	271,270	-	271,270	-
Total governmental activities	<u>8,195,777</u>	<u>590,251</u>	<u>1,252,616</u>	<u>137,455</u>
Business Type Activities:				
Non-instructional Programs				
Before and After School Program	143,552	50,377	-	-
Preschool	40,133	4,175	-	-
Food Service Operations	393,802	140,206	227,119	-
Total Business Type Activities	<u>577,487</u>	<u>194,758</u>	<u>227,119</u>	<u>-</u>
Total Primary Government	<u>8,773,264</u>	<u>785,009</u>	<u>1,479,735</u>	<u>137,455</u>
Component Unit:				
School Education Foundation	<u>\$ 27,663</u>	<u>\$ -</u>	<u>\$ 36,665</u>	<u>\$ -</u>
General Revenues:				
Property Tax Levied For:				
General Purposes				
Debt Service				
Capital Outlay				
Instructional Support Surtax				
Local Option Sales Tax				
Unrestricted State Grants				
Unrestricted Investment Earnings				
Other				
Transfers				
Total general revenues				
Change in net assets				
Net assets - beginning				
Prior Period Adjustment				
Net assets - beginning, as restated				
Net assets - ending				

See Accompanying Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business Type Activities	Total	Component Unit West Sioux Educational Foundation
\$ (2,177,835)		\$ (2,177,835)	
(1,661,218)		(1,661,218)	
(317,271)		(317,271)	
(157,574)		(157,574)	
(222,968)		(222,968)	
(728,767)		(728,767)	
(620,852)		(620,852)	
(259,047)		(259,047)	
-		-	
126,369		126,369	
(196,292)		(196,292)	
-		-	
(6,215,455)		(6,215,455)	
	\$ (93,175)	(93,175)	
	(35,958)	(35,958)	
	(26,477)	(26,477)	
	(155,610)	(155,610)	
(6,215,455)	(155,610)	(6,371,065)	
			\$ 9,002
2,086,405	-	2,086,405	-
91,598	-	91,598	-
245,214	-	245,214	-
166,303	-	166,303	-
540,943	-	540,943	-
3,305,716	-	3,305,716	-
105,938	980	106,918	6,700
19,763	1,052	20,815	-
(398,053)	398,053	-	-
6,163,827	400,085	6,563,912	6,700
(51,628)	244,475	192,847	15,702
1,899,604	(36,643)	1,862,961	370,819
136,393	-	136,393	-
2,035,997	(36,643)	1,999,354	370,819
\$ 1,984,369	\$ 207,832	\$ 2,192,201	\$ 386,521

See Accompanying Notes to Financial Statements

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Pooled Investments	\$ 168,416	\$ 544,157	\$ 668,921	\$ 1,381,494
Receivables:				
Property Tax	40,929	-	10,457	51,386
Succeeding Year Property Tax	2,713,855	-	716,598	3,430,453
Income Surtax	146,660	-	-	146,660
Accounts	5,216	-	3,970	9,186
Due from Other Funds	381,024	32,772	336	414,132
Due from Other Governments	170,274	93,972	-	264,246
Restricted Assets:				
Cash and Pooled Investments	-	68,694	-	68,694
ISCAP Investments	1,644,203	-	-	1,644,203
ISCAP Interest Receivable	6,278	-	-	6,278
Total Assets	5,276,855	739,595	1,400,282	7,416,732
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	156,488	35,007	11,482	202,977
Due to Other Funds	-	-	51,215	51,215
Salaries and Benefits Payable	672,898	-	-	672,898
Early Retirement Payable	-	-	52,263	52,263
Deferred Revenue	107,784	-	-	107,784
Deferred Revenue - Income Surtax	146,660	-	-	146,660
Deferred Revenue - Succeeding Year Taxes	2,713,855	-	716,598	3,430,453
Bond Anticipation Notes	-	200,000	-	200,000
ISCAP Unamortized Premium	33,011	-	-	33,011
ISCAP Interest Payable	6,345	-	-	6,345
ISCAP Warrants Payable	2,064,000	-	-	2,064,000
Total Liabilities	5,901,041	235,007	831,558	6,967,606
Fund Balances:				
Reserved for:				
Categorical Funding	110,414	-	-	110,414
Debt Service	-	68,694	55,276	123,970
Unreserved for:				
General Fund	(734,600)	-	-	(734,600)
Special Revenue Fund	-	-	513,448	513,448
Capital Project Fund	-	435,894	-	435,894
Total Fund Balances	(624,186)	504,588	568,724	449,126
Total Liabilities and Equity	\$ 5,276,855	\$ 739,595	\$ 1,400,282	\$ 7,416,732

See Accompanying Notes to Financial Statements

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Amounts reported for Governmental Activities in the Statement of Net assets are different because:

Total Fund Balance - Governmental Funds (page 15)	\$ 449,126
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	5,449,684
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.	149,098
Bond Issue Costs are reported in the governmental activities but are not reported in the governmental funds as they do not provide current economic resources/	34,554
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(28,649)
Long-term liabilities, including bonds payable, lease obligations payable, and early retirement payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,069,444)</u>
Total Net Assets - Governmental Activities (page 12)	<u><u>\$ 1,984,369</u></u>

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax	\$ 2,092,730	\$ 540,943	\$ 486,562	\$ 3,120,235
Tuition	113,643	-	-	113,643
Other	112,016	32,772	463,916	608,704
State Sources	4,123,225	11,000	-	4,134,225
Federal Sources	428,712	126,455	-	555,167
Total Revenue	<u>6,870,326</u>	<u>711,170</u>	<u>950,478</u>	<u>8,531,974</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	2,496,163	-	51,704	2,547,867
Special Instruction	2,056,196	-	-	2,056,196
Other Instruction	324,867	-	450,904	775,771
Support Services:				
Student Services	169,484	-	-	169,484
Instructional Staff Services	222,968	-	-	222,968
Administration Services	730,676	-	-	730,676
Operation and Maintenance	464,712	-	140,357	605,069
Transportation Services	245,731	-	-	245,731
Non-instructional Programs	1,194	-	-	1,194
Other Expenditures:				
Facilities Acquisition and Construction Services	-	346,789	79,297	426,086
Long-term Debt:				
Principal	-	-	335,127	335,127
Interest and Fiscal Charges	-	-	217,260	217,260
AEA Flowthrough	271,270	-	-	271,270
Total Expenditures	<u>6,983,261</u>	<u>346,789</u>	<u>1,274,649</u>	<u>8,604,699</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(112,935)</u>	<u>364,381</u>	<u>(324,171)</u>	<u>(72,725)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	426,907	426,907
Transfers Out	-	(426,603)	(304)	(426,907)
Sale of Capital Assets	11,550	-	-	11,550
Bonds Refunding Payments	-	-	(3,810,000)	(3,810,000)
Issuance of Capital Lease	-	-	10,726	10,726
Issuance of Long-Term Debt	-	-	3,850,000	3,850,000
Total Other Financing Sources (Uses)	<u>11,550</u>	<u>(426,603)</u>	<u>477,329</u>	<u>62,276</u>
Net Change in Fund Balances	(101,385)	(62,222)	153,158	(10,449)
Fund Balances (Deficits) - Beginning of Year	<u>(522,801)</u>	<u>566,810</u>	<u>415,566</u>	<u>459,575</u>
Fund Balances (Deficits) - End of Year	<u>\$ (624,186)</u>	<u>\$ 504,588</u>	<u>\$ 568,724</u>	<u>\$ 449,126</u>

See Accompanying Notes to Financial Statements

WEST SIOUX COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 17)	\$	(10,449)
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Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation exceeded capital outlays in the current year as follows:

Expenditures for capital assets	\$ 34,371		
Depreciation expense	<u>(248,878)</u>		(214,507)

Governmental funds report only the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain or loss on the sale or disposal of fixed assets. This is the effect on the change in net assets on the statement of activities.	(20,725)
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Accrued interest expense that does not require current financial resources.	(13,586)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	10,228
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Long term portion of early retirement liability	(121,544)
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The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	34,554
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The issuance of indebtedness provides current financial resources to the governmental funds without affecting net assets. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt was as follows:

GO Refunding Bonds	(3,850,000)		
Lease obligations payable	<u>(10,726)</u>		(3,860,726)

The repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. The principal paid on long-term debt during the current year was as follows:

Bonds payable	335,000		
Bonds Refunded	3,810,000		
Lease obligations payable	<u>127</u>		4,145,127

Change in net assets of governmental activities (page 14)	\$	<u>(51,628)</u>
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WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Before & After School Fund	Non-Major Proprietary Funds	Total Proprietary Funds
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 38,384	\$ 59,307	\$ 97,691
Accounts Receivable	-	825	825
Due from Other Governments	-	16,017	16,017
Inventories	-	2,525	2,525
Total Current Assets	<u>38,384</u>	<u>78,674</u>	<u>117,058</u>
Noncurrent Assets:			
Construction in Process	395,579	-	395,579
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	<u>-</u>	<u>66,085</u>	<u>66,085</u>
Total Noncurrent Assets	<u>395,579</u>	<u>66,085</u>	<u>461,664</u>
Total Assets	<u>433,963</u>	<u>144,759</u>	<u>578,722</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	965	3,971	4,936
Due To Other Funds	133,667	229,250	362,917
Unearned Revenue	<u>-</u>	<u>3,037</u>	<u>3,037</u>
Total Current Liabilities	<u>134,632</u>	<u>236,258</u>	<u>370,890</u>
Total Liabilities	<u>134,632</u>	<u>236,258</u>	<u>370,890</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	395,579	66,085	461,664
Unrestricted	(96,248)	(157,584)	(253,832)
Total Net Assets	<u>\$ 299,331</u>	<u>\$ (91,499)</u>	<u>\$ 207,832</u>

See Accompanying Notes to Financial Statements

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Before & After School Fund	Non-Major Proprietary Funds	Total Proprietary Funds
Operating Revenues:			
Charges for services	\$ 50,377	\$ 144,381	\$ 194,758
Miscellaneous	-	1,052	1,052
Total Operating Revenue	50,377	145,433	195,810
Operating Expenditures:			
Non-Instructional Programs:			
Salaries	94,230	145,703	239,933
Benefits	37,570	67,900	105,470
Purchased Services	3,610	154	3,764
Supplies	8,142	210,659	218,801
Depreciation	-	9,519	9,519
Total Operating Expenses	143,552	433,935	577,487
Operating (Loss)	(93,175)	(288,502)	(381,677)
Non-Operating Revenues :			
Interest Income	115	865	980
State Lunch Reimbursements	-	3,963	3,963
National School Lunch Program	-	196,419	196,419
Federal Food Commodities Received	-	26,737	26,737
Total Non-Operating Revenues	115	227,984	228,099
Income (Loss) Before Contributions and Transfers	(93,060)	(60,518)	(153,578)
Capital Contributions	395,579	2,474	398,053
Change in net assets	302,519	(58,044)	244,475
Net Assets - beginning	(3,188)	(33,455)	(36,643)
Net Assets - ending	\$ 299,331	\$ (91,499)	\$ 207,832

See Accompanying Notes to Financial Statements

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Before & After School Fund	Non-Major Proprietary Funds	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ -	\$ 136,171	\$ 136,171
Cash received for services	50,436	4,175	54,611
Cash received from miscellaneous operating activities	-	227	227
Cash paid to employees for services	(131,800)	(213,603)	(345,403)
Cash paid to suppliers for goods or services	(10,787)	(177,442)	(188,229)
Total cash (used) by operating activities	<u>(92,151)</u>	<u>(250,472)</u>	<u>(342,623)</u>
Cash flows from noncapital financing activities:			
State grants received	-	3,963	3,963
Federal grants received	-	199,540	199,540
Increase in due from other funds	130,216	88,573	218,789
Total cash provided by noncapital financing activities	<u>130,216</u>	<u>292,076</u>	<u>422,292</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>-</u>	<u>(6,677)</u>	<u>(6,677)</u>
Cash flows from investing activities:			
Interest on investments	<u>115</u>	<u>865</u>	<u>980</u>
Net increase in cash and cash equivalents	38,180	35,792	73,972
Cash and cash equivalents - beginning of year	<u>204</u>	<u>23,515</u>	<u>23,719</u>
Cash and cash equivalents - end of year	<u><u>38,384</u></u>	<u><u>59,307</u></u>	<u><u>97,691</u></u>
Reconciliation of operating income (loss) to net cash (used) in operating activities:			
Operating (loss)	(93,175)	(288,502)	(381,677)
Adjustments to reconcile net operating (loss) to net cash (used) by operating activities:			
Depreciation expense	-	9,519	9,519
Commodities used	-	26,737	26,737
(Increase) decrease in assets and increase (decrease) in liabilities:			
Accounts Receivable	59	(579)	(520)
Inventory	-	2,663	2,663
Accounts Payable	965	3,971	4,936
Unearned Revenue	<u>-</u>	<u>(4,281)</u>	<u>(4,281)</u>
Net cash (used) in operating activities	<u>\$ (92,151)</u>	<u>\$ (250,472)</u>	<u>\$ (342,623)</u>
Non-cash investing, capital and financing activities:			
Federal food commodities received	\$ -	\$ 26,737	\$ 26,737
Capital Contributions	<u>\$ 395,579</u>	<u>\$ 2,474</u>	<u>\$ 398,053</u>

See Accompanying Notes to Financial Statements

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Sioux Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Hawarden and Ireton, Iowa, and predominately agricultural territory in Sioux and Plymouth Counties in Iowa. The district is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Government Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, West Sioux Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. There is one discretely presented component unit included with this financial report.

Discretely Presented Component Unit

West Sioux Education Foundation - In December of 1988, the District established the West Sioux Educational Foundation by appointing a board of trustees to incorporate a foundation under the Iowa Non-Profit Corporation Act, Iowa Code Chapter 504A. The Foundation devotes itself exclusively to the improvement, aid, and promotion of public programs and projects within the District. The Foundation's financial data as of and for the year ended December 31, 2008 is reported in a separate column to emphasize that it is legally separate from the District. The West Sioux Educational Foundation does not issue separate financial statements.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Sioux County Assessor's Conference Board.

B. Basic Financial Statements- Government-Wide Statements

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, debt service and capital project funds are classified as governmental activities. The District's school nutrition, before and after school program, and preschool funds are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The District does not allocate indirect costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Fund Financial Statements

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three types: governmental, proprietary and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column in the fund financial statements. GASB No. 34 sets forth minimum criteria for the determination of major funds. The various funds reported in the financial statements are grouped into fund types as follows:

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities, except those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is on determination of financial position and changes in financial position, rather than upon net income determination. The following is a description of the governmental funds of the District.

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the General Fund consists primarily of local property taxes and state government aid.

Special Revenue Fund – Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specified purposes. Each of the District's Special Revenue Funds has been established to reflect restricted revenue sources provided to school districts by the Iowa State Statutes.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest.

Capital Projects Fund – Capital Project Funds account for all resources used in the acquisition and construction of capital facilities.

PROPRIETARY FUND TYPES

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

The proprietary funds of the District apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements; Financial Accounting Standards Board Statements and interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Enterprise Funds – Enterprise Funds are used to account for operations: (a) which are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District reports the following major governmental funds:

General Fund – See the description on the previous page. The General Fund is always considered to be a major fund.

Capital Project – To account for the collection of the 1% statewide sales and services tax to be expended for school infrastructure purposes as well as funds for the construction of a daycare building.

The District reports the following major enterprise fund:

Before and After School/Daycare – Accounts for the Before and After School (daycare) operations of the District.

D. Basis of Accounting/Measurement Focus

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa School Cash Anticipation Program which is valued at amortized cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2008.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 for governmental capital assets and \$500 for school nutrition capital assets.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end, excluding grant receivables.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

F. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, expenditures in the non-instructional and other expenditures functional areas exceeded the amounts budgeted.

NOTE 2 – CASH AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies, certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Custodial Credit Risk – The District has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does have a formal investment policy that limits investment maturities to 397 days or less.

At June 30, 2009, the District had investments in the Iowa School Cash Anticipation Program as follows:

	Fair Value	Credit Risk
Guaranteed Interest Contract	\$ 1,644,203	Not Rated

At December 31, 2008, the discretely presented component unit had the following investments:

	Fair Value	Credit Risk
Mutual Fund – AIM Investments	\$ 3,729	★★
Mutual Fund – Oppenheimer Investments	8,229	★★
Mutual Fund – Mainstay Investments	7,138	★★★★
	<u>\$ 19,096</u>	

These credit ratings were obtained from Morningstar.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 2 – CASH AND POOLED INVESTMENTS (CONTINUED)

	Par Value	Credit Risk
U.S. Treasury Note	\$ 15,000	Not Rated

The discretely presented component unit also held \$336,778 in certificates of deposits with the latest maturity extending to January, 2010.

NOTE 3 – INTERFUND TRANSFERS

The detail of short-term interfund transfers for the year ended June 30, 2009 is as follows:

Transfer To	Transfer From	Amount
Non-Major Governmental Fund	Non-Major Governmental Fund	\$.304
Non-Major Governmental Fund	Capital Project Fund	426,603
Total		<u>\$ 426,907</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 4 – DUE FROM AND DUE TO OTHER FUNDS

The detail of short-term interfund receivables and payables at June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	PPEL Fund	\$ 11,550
General Fund	Before and After School	133,782
General Fund	School Nutrition Fund	189,147
General Fund	Student Activity	2,163
General Fund	Preschool	40,133
General Fund	Debt Service	5,700
Student Activity	General Fund	1,000
Before and After School Fund	General Fund	115
Management Fund	General Fund	336
School Nutrition	Student Activity	30
Debt Service	PPEL Fund	630
Capital Project – LOST	PPEL Fund	32,772

The School Nutrition Fund, Before and After School, and Preschool Funds are repaying the General Fund for payroll for these funds that is paid out of the General Fund. The Debt Service Fund is repaying General Fund for money advanced for debt payment. The Physical Plant and Equipment fund is repaying the General Fund for money advanced for the purchase of a bus. The remaining various amounts are the result of expenses paid out of incorrect funds.

NOTE 5 – IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

The District participates in the Iowa School Cash Anticipation (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semi-annual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semi-annual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 5 – IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP) (CONTINUED)

outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP at June 30, 2009 is as follows:

Series	Warrant Date	Final Warrant Maturity	Investments	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable
2008-09A	6/26/08	6/25/09	\$ -	\$ -	\$ -	\$ -
2008-09B	1/21/09	1/21/10	382,538	6,122	822,000	6,191
2009-10A	6/25/09	6/23/10	1,261,665	156	1,242,000	154
			<u>\$ 1,644,203</u>	<u>\$ 6,278</u>	<u>\$ 2,064,000</u>	<u>\$ 6,345</u>

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. ISCAP advance activity in the General Fund for the year ended June 30, 2009 is as follows:

Series	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
2007-08B	\$ -	\$ 350,000	\$ 350,000	\$ -
2008-09A	-	1,250,000	1,250,000	-
2008-09B	-	450,000	450,000	-
	<u>\$ -</u>	<u>\$ 2,050,000</u>	<u>\$ 2,050,000</u>	<u>\$ -</u>

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2007-08B	3.75%	3.451%
2008-09A	3.5%	3.469%
2008-09B	3.0%	2.110%
2009-10A	2.5%	.902%

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 51,375	\$ -	\$ -	\$ 51,375
Total capital assets not being depreciated	51,375	-	-	51,375
Capital assets being depreciated:				
Buildings	8,894,460	-	-	8,894,460
Improvements other than buildings	368,892	-	-	368,892
Furniture and equipment	995,206	34,371	54,118	975,459
Total capital assets being depreciated	10,258,558	34,371	54,118	10,238,811
Less: Accumulated Depreciation for:				
Buildings & Improvements	3,950,532	181,571	-	4,132,103
Furniture and equipment	674,485	67,307	33,393	708,399
Total Accumulated Depreciation	4,625,017	248,878	33,393	4,840,502
Total capital assets being depreciated, net	5,633,541	(214,507)	20,725	5,398,309
Governmental activities capital assets, net	\$ 5,684,916	\$ (214,507)	\$ 20,725	\$ 5,449,684

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Business-type Activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 395,579	\$ -	\$ 395,579
Total capital assets not being depreciated	-	395,579	-	395,579
Capital assets being depreciated:				
Furniture and equipment	153,665	9,151	-	162,816
Total capital assets being depreciated	153,665	9,151	-	162,816
Less: Accumulated Depreciation				
Furniture and Equipment	87,212	9,519	-	96,731
Total Accumulated Depreciation	87,212	9,519	-	96,731
Total capital assets being depreciated, net	66,453	(368)	-	66,085
Business-type activity capital assets, net	\$ 66,453	\$ 395,211	\$ -	\$ 461,664

Construction in progress at June 30, 2009 consisted of costs associated with the construction of the daycare building.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 6 – CAPITAL ASSETS CONTINUED)

Depreciation expense was charged to the functions as follows:

Governmental Activities:

Regular Instruction	\$ 168,371
Other Instruction	23,531
Administration Services	4,091
Operation and Maintenance	10,588
Transportation Services	42,297
	<u>248,878</u>

Total depreciation expense – governmental activities	<u>\$ 248,878</u>
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Business-type activities:

Food Service Operations	<u>\$ 9,519</u>
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The discretely presented component unit had no capital assets as December 31, 2009.

Reconciliation of Invested in Capital Assets:

	Governmental Activities	Business- Type Activities
Land	\$ 51,375	\$ -
Construction in Process	-	395,579
Capital Assets (net of accumulated depreciation)	5,398,309	66,085
Less: Bonds Payable	(3,850,000)	-
Bond Anticipation Notes	(200,000)	-
Capital Lease Payable	(10,599)	-
	<u>\$ 1,389,085</u>	<u>\$ 461,664</u>
Invested in Capital Assets, Net of Related Debt		

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009 was as follows

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
General Obligation Bonds	\$ 4,145,000	\$ 3,850,000	\$ 4,145,000	\$ 3,850,000	\$ 355,000
Bond Anticipation Notes	-	200,000	-	200,000	-
Capital Lease Obligation	-	10,726	127	10,599	3,058
Early Retirement	114,542	179,725	33,159	261,108	52,263
Governmental Activities					
Long-Term Liabilities	<u>\$ 4,259,542</u>	<u>\$ 4,240,451</u>	<u>\$ 4,178,286</u>	<u>\$ 4,321,707</u>	<u>\$ 410,321</u>

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for governmental activities. These bonds are direct obligations and pledge the full faith and credit of the District.

General obligation bonds as of June 30, 2009 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities – 2009 Series - Refunding	2.4-3.8%	<u>\$ 3,850,000</u>

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

On April 2, 2009 the District issued General Obligation School Refunding Bonds, Series 2009, in the amount of \$3,850,000. The purpose of the bonds was to current refund \$3,810,000 in Series 1998A General Obligation Bonds. The bonds issued had an average interest rate of 3.223% and an average life of 5.413 years. The bonds refunded had an average interest rate of 5.482%. As a result of the refunding the District will reduce its debt service payments over the next nine years by \$188,372, and obtain an economic gain of \$159,103.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 355,000	\$ 133,881
2011	390,000	106,235
2012	400,000	96,875
2013	415,000	87,275
2014	425,000	76,693
2015-2018	1,865,000	170,665
Total	<u>\$ 3,850,000</u>	<u>\$ 671,224</u>

Capital Leases

The District has entered into a lease agreement as lessee for financing the acquisition of a copy machine. This lease agreement qualifies as capital leases for accounting purposes and, therefore, has been recorded at the present value of its minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental</u> <u>Activities</u>
Asset:	
Furniture and Equipment	\$ 10,726
Less: Accumulated Depreciation	239
Total	<u>\$ 10,487</u>

The following is a schedule of future minimum lease payments under capital lease, together with the net present value of the minimum lease payments as of June 30, 2009.

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,058	\$ 1,323	\$ 4,381
2011	3,493	888	4,381
2012	4,048	333	4,381
Minimum Lease Payments			13,143
Less: Amount Representing Interest			(2,544)
Present Value of Minimum Lease Payments			<u>\$ 10,599</u>

Bond Anticipation Notes

On December 9, 2008, the District issued \$200,000 in School Infrastructure Sales, Services, and Use Tax Revenue Anticipation Notes, Series 2008 with an interest rate of 1.9%. The notes were used to fund the building addition to the existing school building in Ireton for the Before and After School/Daycare program. The bond anticipation notes mature on July 1, 2010.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Teachers and administrators who are at least 55 years of age and who have 15 years of continuous service with the District are eligible for Board approved early retirement compensation. Employees making application for early retirement will be allowed to remain on the group's health insurance plan at a rate of \$455 per month for individual coverage paid for by the District to end when the employee is Medicare eligible. Those who retired prior to the most recent plan revision will have the entire premium amount paid by the District, which for fiscal year 2009 will be \$477 per month. Early retirement benefits paid during the year ended June 30, 2009, totaled \$51,704 for the ten current recipients. The cost of early retirement payments liquidated within the next accounting cycle is recorded as a liability of the Special Revenue, Management Levy Fund, in the fund financial statements. The non-current portion of the early retirement liability is recorded in the government-wide financial statements.

NOTE 8 – PENSION AND RETIREMENT BENEFITS

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10%, 3.90%, and 3.70% of their annual covered salary and the District is required to contribute 6.35%, 6.05%, and 5.75% of annual covered payroll for the years ended June 30, 2009, 2008, and 2007 respectively. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$282,320, \$253,216, and \$219,455 respectively, equal to the required contributions for each year.

NOTE 9 – RISK MANAGEMENT

West Sioux Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – AREA EDUCATION AGENCY

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$271,270 for the year ended June 30, 2009 and is recorded in the General Fund.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2009

NOTE 11 – DEFICIT FUND BALANCE

As of June 30, 2009, the following funds had deficit fund balances in the amount shown:

General	\$ (624,186)
Business Type Activities:	
School Nutrition Fund	\$ (55,541)
Preschool	\$ (35,958)

The deficits will be funded through future property tax revenue and additional charges for services.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2009, it was discovered that the receivable for the 2007-2008 income surtax was omitted from the financial statements for the year ended June 30, 2008. At the fund level this receivable is also deferred, therefore there is no effect on the fund level statements as of June 30, 2008. The effect of this correction is as follows:

	Government-Wide
	Governmental Activities
Beginning Fund Balance, as previously reported	\$ 1,899,604
Prior Period Adjustment for Income Surtax Receivable	136,393
Beginning Fund Balance, as restated	<u>\$ 2,035,997</u>

NOTE 13 – RECLASSIFICATIONS OF A GENERAL NATURE

Certain amounts presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income or fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

WEST SIOUX COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN BALANCES
BUDGET AND ACTUAL, ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Governmental	Proprietary		Final to
	Original	Amended	Funds	Funds	Total	Actual
			Actual	Actual	Actual	Variance
REVENUE:						
Local Sources:						
Local Tax	\$ 2,571,714	\$ 2,571,714	\$ 3,120,235	\$ -	\$ 3,120,235	\$ 548,521
Tuition	160,874	160,874	113,643	-	113,643	(47,231)
Other	1,234,420	1,234,420	608,704	196,790	805,494	(428,926)
State Sources	4,244,987	4,244,987	4,134,225	3,963	4,138,188	(106,799)
Federal Sources	661,000	661,000	555,167	223,156	778,323	117,323
Total Revenue	8,872,995	8,872,995	8,531,974	423,909	8,955,883	82,888
EXPENDITURES/EXPENSES:						
Current:						
Instruction	5,684,495	5,684,495	5,379,834	-	5,379,834	304,661
Support Services	2,292,237	2,292,237	1,973,928	-	1,973,928	318,309
Non-instructional Programs	422,651	422,651	1,194	577,487	578,681	(156,030)
Other Expenditures	793,142	793,142	1,249,743	-	1,249,743	(456,601)
Total Expenditures/Expenses	9,192,525	9,192,525	8,604,699	577,487	9,182,186	10,339
Excess (Deficiency) of Revenues Over Expenditures/Expenses	(319,530)	(319,530)	(72,725)	(153,578)	(226,303)	93,227
Other Financing Sources (Uses):						
Transfers In	426,423	426,423	426,907	-	426,907	484
Transfers Out	(426,423)	(426,423)	(426,907)	-	(426,907)	(484)
Sale of Capital Assets	-	-	11,550	-	11,550	11,550
Bonds Refunding Payments	-	-	(3,810,000)	-	(3,810,000)	(3,810,000)
Issuance of Capital Lease	-	-	10,726	-	10,726	10,726
Issuance of Long-Term Debt	-	-	3,850,000	-	3,850,000	3,850,000
Capital Contributions	-	-	-	398,053	398,053	398,053
Total Other Financing Sources (Uses)	-	-	62,276	398,053	460,329	460,329
Net Change in Fund Balances	(319,530)	(319,530)	(10,449)	244,475	234,026	553,556
Fund Balances - Beginning of Year	422,932	422,932	459,575	(36,643)	422,932	-
Fund Balances - End of Year	\$ 103,402	\$ 103,402	\$ 449,126	\$ 207,832	\$ 656,958	\$ 553,556

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2009

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional area level, not at the fund or fund type level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a functional area basis and to compare such functional area totals to functional area budgeted totals in order to demonstrate legal compliance with budget. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. During the year ended June 30, 2009, the District had no budget amendments.

During the year ended June 30, 2009, expenditures in the non-instructional and other expenditures functions exceeded the amounts budgeted.

OTHER SUPPLEMENTARY INFORMATION

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1

REVENUES:

Local Sources:

Local Tax:

Property Tax	\$ 1,891,818
Mobile Home Tax	1,530
Utility Tax Replacement Excise Tax	43,346
Instructional Support Levy	156,036
	<u>2,092,730</u>

Other Local Sources:

Interest on Investments	58,713
Tuition from Individuals	9,600
Tuition from Other Districts	104,043
Rent	200
Miscellaneous	53,103
	<u>225,659</u>
	<u>2,318,389</u>

State Sources:

State Foundation Aid	3,287,707
Instructional Support State Aid	18,009
Beginning Teacher Mentoring Program	6,500
Educational Excellence Program:	
Phase I	36,456
Phase II	57,736
Non-Public Transportation Aid	30,287
Non-Public Textbook and Technology Aid	1,220
Teacher Compensation	320,262
Teacher Quality Professional Development	43,619
Vocational Education Aid	5,570
AEA Flow-Through	271,270
Iowa Early Intervention Block Grant	44,589
	<u>4,123,225</u>

Federal Sources:

Title I Grants to Local Educational Agencies	94,074
Migrant Education	70,720
Title III Grants for English Language Acquisition	8,455
Safe and Drug-Free Schools and Communities-States Grants	1,194
Education for Homeless Children and Youth	35,863
Career and Technical Education Grants	6,135
Special Education (IDEA) - Grants to States	41,970
Improving Teacher Quality State Grants	33,200
Grants for Assessments and Related Activities	3,376
Medicaid	133,725
	<u>428,712</u>

Total Revenue

\$ 6,870,326

Continued

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule 1 (Continued)

EXPENDITURES:

Instruction:

Regular Instruction:

Salaries	\$ 1,695,010
Benefits	460,073
Services	295,794
Supplies	39,599
Other	5,687
	<u>2,496,163</u>

Special Education Instruction:

Salaries	1,331,837
Benefits	377,972
Services	281,052
Supplies	53,014
Property	9,285
Other	3,036
	<u>2,056,196</u>

Vocational Instruction:

Salaries	135,088
Benefits	37,398
Supplies	10,810
	<u>183,296</u>

Co-curricular Instruction:

Salaries	121,753
Benefits	15,802
Supplies	2,796
	<u>140,351</u>

Nonpublic Instruction:

Supplies	1,220
	<u>1,220</u>

Total Instruction

4,877,226

Support Services:

Student Services:

Guidance Services:

Salaries	92,234
Benefits	24,309
Services	3,556
Supplies	851
Other	40
	<u>\$ 120,990</u>

Continued

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1 (Continued)

Support Services (Continued):

Student Services (Continued):

Health Services:

Salaries	\$ 29,135
Benefits	5,252
Supplies	14,072
Other	35
	<u>48,494</u>

Total Student Services	<u>169,484</u>
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Support Services:

Instructional Staff Services:

Improvement of Instruction Services:

Salaries	5,000
Benefits	700
Services	240
Supplies	67,807
Property	40,139
	<u>113,886</u>

Educational Media Services:

Salaries	80,967
Benefits	25,558
Supplies	2,557
	<u>109,082</u>

Total Instructional Staff Services	<u>222,968</u>
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Support Services:

Administration Services:

Executive Administration:

Salaries	131,876
Benefits	40,214
Services	601
Supplies	1,899
Property	736
Other	3,809
	<u>179,135</u>

School Administration:

Salaries	239,168
Benefits	83,741
Services	895
Other	2,956
	<u>\$ 326,760</u>

Continued

WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1 (Continued)

Support Services (Continued):

Administration Services (Continued):

Business Administration:

Salaries	\$ 102,976
Benefits	26,374
Services	11,931
Supplies	3,875
Iowa School Cash Anticipation Program:	
Interest	32,249
Other	1,880
	<u>179,285</u>

Board of Education:

Services	36,333
Supplies	3,052
Other	6,111
	<u>45,496</u>

Total Administration Services:

730,676

Support Services:

Plant Operation and Maintenance:

Salaries	171,717
Benefits	42,151
Services	37,149
Supplies	212,675
Property	800
Other	220
	<u>464,712</u>

Support Services:

Student Transportation:

Salaries	129,189
Benefits	23,607
Services	45,331
Supplies	35,985
Property	9,993
Other	1,626
	<u>245,731</u>

Total Support Services

\$ 1,833,571

Continued

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule 1 (Continued)

Non-instructional Programs:	
Community Services:	
Services	\$ 499
Supplies	695
	<u>1,194</u>
Other Expenditures:	
AEA Flow-Through	<u>271,270</u>
Total Expenditures	<u>6,983,261</u>
(Deficiency) of Revenues Over Expenditures	<u>(112,935)</u>
Other Financing Sources:	
Proceeds from Sale of Assets	<u>11,550</u>
Total Other Financing Sources	<u>11,550</u>
(Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(101,385)</u>
Fund Balance (deficit) - Beginning of Year	<u>(522,801)</u>
Fund Balance (deficit) - End of Year	<u><u>\$ (624,186)</u></u>

WEST SIOUX COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

Schedule 2

	Special Revenue Funds				
	Student Activity	Management Levy	PPEL Fund	Debt Service	Total
ASSETS					
Cash and Pooled Investments	\$ 142,097	\$ 319,746	\$ 148,765	\$ 58,313	\$ 668,921
Receivables:					
Property Tax	-	2,976	5,448	2,033	10,457
Succeeding Year Property Tax	-	150,000	251,218	315,380	716,598
Accounts	3,970	-	-	-	3,970
Due from Other Funds	-	336	-	-	336
 Total Assets	 146,067	 473,058	 405,431	 375,726	 1,400,282
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	5,814	-	5,668	-	11,482
Due to Other Funds	1,193	-	44,952	5,070	51,215
Early Retirement Payable	-	52,263	-	-	52,263
Deferred Revenue - Succeeding Year Property Taxes	-	150,000	251,218	315,380	716,598
Total Liabilities	7,007	202,263	301,838	320,450	831,558
 Fund Balances (Deficits)					
Reserved for:					
Debt Service	-	-	-	55,276	55,276
Unreserved for:					
Special Revenue Fund	139,060	270,795	103,593	-	513,448
Total Fund Balances	139,060	270,795	103,593	55,276	568,724
Total Liabilities and Equity	\$ 146,067	\$ 473,058	\$ 405,431	\$ 375,726	\$ 1,400,282

WEST SIOUX COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

	Special Revenue Funds				
	Student Activity	Management Levy	PPEL Fund	Debt Service	Total
REVENUE:					
Local Sources:					
Local Tax	\$ -	\$ 149,750	\$245,214	\$ 91,598	\$ 486,562
Other	448,949	12,564	1,773	630	463,916
Total Revenue	448,949	162,314	246,987	92,228	950,478
EXPENDITURES:					
Current:					
Instruction:					
Regular Instruction	-	51,704	-	-	51,704
Special Instruction	-	-	-	-	-
Other Instruction	450,904	-	-	-	450,904
Support Services:					
Operation and Maintenance	-	95,136	45,221	-	140,357
Other Expenditures:					
Facilities Acquisition and Construction	-	-	79,297	-	79,297
Long-term Debt:					
Principal	-	-	-	335,127	335,127
Interest and Fiscal Charges	-	-	-	217,260	217,260
Total Expenditures	450,904	146,840	124,518	552,387	1,274,649
Excess(Deficiency) of Revenues Over Expenditures	(1,955)	15,474	122,469	(460,159)	(324,171)
Other Financing Sources (Uses):					
Transfers In	-	-	-	426,907	426,907
Transfers Out	-	-	(304)	-	(304)
Bond Refunding Payment	-	-	-	(3,810,000)	(3,810,000)
Issuance of Capital Lease	-	-	10,726	-	10,726
Issuance of Long-Term Debt	-	-	-	3,850,000	3,850,000
Total Other Financing Sources (Uses)	-	-	10,422	466,907	477,329
Net Change in Fund Balances	(1,955)	15,474	132,891	6,748	153,158
Fund Balances (Deficits) - Beginning of Year	141,015	255,321	(29,298)	48,528	415,566
Fund Balances - End of Year	\$139,060	\$ 270,795	\$103,593	\$ 55,276	\$ 568,724

WEST SIOUX COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2009

Schedule 4

	School Nutrition Fund	Preschool	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 55,132	\$ 4,175	\$ 59,307
Accounts Receivable	825	-	825
Due from Other Governments	16,017	-	16,017
Inventories	2,525	-	2,525
Total Current Assets	74,499	4,175	78,674
Noncurrent Assets:			
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	66,085	-	66,085
Total Noncurrent Assets	66,085	-	66,085
Total Assets	140,584	4,175	144,759
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,971	-	3,971
Due To Other Funds	189,117	40,133	229,250
Unearned Revenue	3,037	-	3,037
Total Current Liabilities	196,125	40,133	236,258
Total Liabilities	196,125	40,133	236,258
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	66,085	-	66,085
Unrestricted	(121,626)	(35,958)	(157,584)
Total Net Assets	\$ (55,541)	\$ (35,958)	\$ (91,499)

WEST SIOUX COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 5

	School Nutrition Fund	Preschool	Total
Operating Revenues:			
Charges for services	\$ 140,206	\$ 4,175	\$ 144,381
Miscellaneous	1,052	-	1,052
Total Operating Revenue	141,258	4,175	145,433
Operating Expenditures:			
Non-Instructional Programs:			
Salaries	114,544	31,159	145,703
Benefits	58,926	8,974	67,900
Purchased Services	154	-	154
Supplies	210,659	-	210,659
Depreciation	9,519	-	9,519
Total Operating Expenses	393,802	40,133	433,935
Operating (Loss)	(252,544)	(35,958)	(288,502)
Non-Operating Revenues :			
Interest Income	865	-	865
State Lunch Reimbursements	3,963	-	3,963
National School Lunch Program	196,419	-	196,419
Federal Food Commodities Received	26,737	-	26,737
Total Non-Operating Revenues	227,984	-	227,984
Income Before Contributions and Transfers	(24,560)	(35,958)	(60,518)
Capital Contributions	2,474	-	2,474
Change in net assets	(22,086)	(35,958)	(58,044)
Net Assets - beginning	(33,455)	-	(33,455)
Net Assets - ending	\$ (55,541)	\$ (35,958)	\$ (91,499)

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule 6

	School Nutrition Fund	Preschool	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 136,171	\$ -	\$ 136,171
Cash received for services	-	4,175	4,175
Cash received from miscellaneous operating activities	227	-	227
Cash paid to employees for services	(173,470)	(40,133)	(213,603)
Cash paid to suppliers for goods or services	(177,442)	-	(177,442)
Total cash (used) by operating activities	(214,514)	(35,958)	(250,472)
Cash flows from noncapital financing activities:			
State grants received	3,963	-	3,963
Federal grants received	199,540	-	199,540
Increase in due from other funds	48,440	40,133	88,573
Total cash provided by noncapital financing activities	251,943	40,133	292,076
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(6,677)	-	(6,677)
Cash flows from investing activities:			
Interest on investments	865	-	865
Net increase in cash and cash equivalents	31,617	4,175	35,792
Cash and cash equivalents - beginning of year	23,515	-	23,515
Cash and cash equivalents - end of year	55,132	4,175	59,307
Reconciliation of operating income (loss) to net cash (used) in operating activities:			
Operating (loss)	(252,544)	(35,958)	(288,502)
Adjustments to reconcile net operating (loss) to net cash (used) by operating activities:			
Depreciation expense	9,519	-	9,519
Commodities used	26,737	-	26,737
(Increase) decrease in assets and increase (decrease) in liabilities:			
Accounts Receivable	(579)	-	(579)
Inventory	2,663	-	2,663
Accounts Payable	3,971	-	3,971
Salaries and benefits payable	-	-	-
Unearned Revenue	(4,281)	-	(4,281)
Net cash (used) in operating activities	\$ (214,514)	\$ (35,958)	\$ (250,472)
Non-cash investing, capital and financing activities:			
Federal food commodities received	\$ 26,737	\$ -	\$ 26,737
Capital Contributions	\$ 2,474	\$ -	\$ 2,474

WEST SIOUX COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

				Schedule 7
	Balance			Balance
	June 30,	Revenues	Expenditures	June 30,
	2008			2009
HIGH SCHOOL				
Adult Education	\$ 4	\$ -	\$ -	\$ 4
Clearing Account	869	45,751	45,047	1,573
Annual	58	3,133	243	2,948
Newspaper-Falcon Banner	1,993	1,313	1,412	1,894
Drama Club	3,257	3,216	3,239	3,234
DanceTeam	4,204	6,282	6,086	4,400
Athletic Pop/Materials for Resale	7,297	5,624	11,773	1,148
Vocal Music Group	1,528	2,602	2,318	1,812
Band	252	1,285	975	562
High School Athletics	4,674	74,046	72,818	5,902
Concession Supplies	9,029	42,036	49,047	2,018
Future Famers of America	8,375	8,615	5,201	11,789
Library Club	929	-	451	478
Student Council	12,028	11,100	18,889	4,239
Cheerleaders	3,315	5,494	4,386	4,423
HS Student Newspaper	75	1,395	1,382	88
Class of 2007	675	-	675	-
Class of 2008	416	-	416	-
Class of 2009	2,698	920	1,025	2,593
Class of 2010	1,655	1,640	600	2,695
Class of 2011	685	1,363	656	1,392
Class of 2012	-	1,247	559	688
Class of 2013	89	-	89	-
Employee Fundraiser	15	676	622	69
High School Art Club	208	-	50	158
National Honor Society	674	3,588	3,459	803
Volleyball Fundraiser	1,153	2,252	2,804	601
Softball Fundraiser	725	3,733	4,093	365
Boys Basketball Fundraiser	355	3,115	3,089	381
High School Miscellaneous Accounts	2,053	-	713	1,340
Football Fundraiser	4,954	33,806	29,609	9,151
Boy Baseball Fundraiser	1,271	2,664	2,339	1,596
Girls Basketball Fundraiser	2,186	7,318	8,581	923
Cross Country Fundraiser	3,207	2,300	2,496	3,011
District Activites Fee	-	5,443	5,443	-
Wrestling Fundraiser	1,143	5,560	6,277	426
Track Fundraiser	1,011	50	793	268
Track Resurface Project	\$ 100	\$ 1,170	\$ -	\$ 1,270

(Continued)

WEST SIOUX COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

				Schedule 7
	Balance			Balance
	June 30,	Revenues	Expenditures	June 30,
	2008			2009
HIGH SCHOOL - (Continued)				
Prom Fund	\$ 965	\$ 10,260	\$ 9,074	\$ 2,151
Math Center Fundraiser	263	-	263	-
Falcon Joe's Coffee Shop	12,973	6,307	2,554	16,726
Recycle Fund	133	-	-	133
FCA	252	595	646	201
Speech	506	2,204	2,195	515
Quiz Bowl	715	224	458	481
Interest	2,388	2,558	4,946	-
Golf	4	-	-	4
Soccer	847	1,631	2,275	203
Case Training	1,291	9,000	10,291	-
Lakeside Lab	401	3,755	3,203	953
Read Across America	-	6,500	6,500	-
PBS	-	4,606	2,660	1,946
Falcon Clothing	60	5,690	4,006	1,744
Daycare Fundraiser	-	4,873	3,258	1,615
Washington, D.C. Trips	247	66,542	59,798	6,991
High School Total	104,205	413,482	409,782	107,905
MIDDLE SCHOOL				
Clearing Account	1,765	-	-	1,765
General	-	4,893	4,893	-
Pop	2,674	2,948	4,153	1,469
Magazines	8,093	8,157	10,333	5,917
Candy Sales	4,071	-	1,901	2,170
Pictures	1,621	-	-	1,621
Athletics	-	5,052	5,052	-
Interest	42	460	-	502
Assignment Notebooks	-	256	-	256
Student Participations	1,037	1,330	606	1,761
History Fair Account	2,131	-	-	2,131
Middle School Total	21,434	23,096	26,938	17,592
IRETON ELEMENTARY				
	6,866	3,159	3,722	6,303
HAWARDEN ELEMENTARY				
	8,510	9,212	10,462	7,260
Grand Totals	\$ 141,015	\$ 448,949	\$ 450,904	\$ 139,060

WEST SIOUX COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE SIX YEARS ENDED JUNE 30, 2009

	Modified Accrual Basis of Accounting			
	2009	2008	2007	2006
Revenues:				
Local Sources:				
Local Tax	\$ 3,120,235	\$ 2,740,024	\$ 2,677,428	\$ 2,539,452
Tuition	113,643	100,411	148,739	159,940
Other	608,704	616,836	627,245	828,216
State Sources	4,134,225	3,986,607	3,753,054	3,507,196
Federal Sources	555,167	386,145	380,096	467,033
Total	<u>8,531,974</u>	<u>7,830,023</u>	<u>7,586,562</u>	<u>7,501,837</u>
Expenditures:				
Instruction:				
Regular	2,547,867	2,518,803	2,510,548	2,329,155
Special	2,056,196	1,796,036	1,492,013	1,404,660
Other	775,771	793,791	740,657	695,246
Support Services:				
Student	169,484	162,001	199,534	172,959
Instructional Staff	222,968	486,620	374,433	261,151
Administration	730,676	796,236	727,603	666,787
Operation and maintenance of plant	605,069	682,145	681,095	615,744
Transportation	245,731	276,545	302,274	242,222
Non-instructional programs	1,194	2,642	1,561	308,456
Other Expenditures:				
Facilities Acquisition	426,086	23,388	11,090	263,963
Long-term debt:				
Principal	335,127	405,889	388,792	-
Interest and other charges	217,260	198,633	215,618	231,007
AEA Flowthrough	271,270	260,963	242,252	234,214
Total	<u>\$ 8,604,699</u>	<u>\$ 8,403,692</u>	<u>\$ 7,887,470</u>	<u>\$ 7,425,564</u>

Schedule 8

<u>Modified Accrual</u>	
<u>2005</u>	<u>2004</u>
<hr/>	
\$ 3,230,943	\$ 2,898,455
144,066	161,039
753,478	618,025
3,111,365	3,075,134
437,105	471,604
<u>7,676,957</u>	<u>7,224,257</u>

2,422,967	2,207,852
855,679	918,168
766,328	639,521
140,337	134,220
245,256	314,336
554,151	526,789
652,862	639,087
209,482	204,360
298,995	303,979
111,095	45,258
-	-
246,101	260,767
224,482	246,791
<u>\$ 6,727,735</u>	<u>\$ 6,441,128</u>

SINGLE AUDIT SECTION

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

			Schedule 9	
Grantor/Program	CFDA Number	Grant Number	Expenditures	
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
School Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY09	\$	40,815
National School Lunch Program	10.555	FY09		154,665
Summer Food Service Program for Children	10.559	FY09		27,676
				<u>223,156</u> *
U.S. Department of Education:				
Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY09		94,074
Migrant Education - State Grant Program	84.011	FY09		27,712
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY09		1,194
Education for Homeless Children and Youth	84.196	FY09		28,768
English Language Acquisition	84.365	FY09		1,011
Improving Teacher Quality State Grants	84.367	FY09		33,200
Grants for State Assessments & Related Activities	84.369	FY09		3,376
Northwest Area Education Agency:				
Special Education - Grants to States	84.027	FY 09		41,970
English Language Acquisition	84.365	FY 09		7,444
Career and Technical Education - Basic Grants to States	84.048	FY 09		6,135
U.S. Department of Housing and Urban Development:				
Iowa Department of Economic Development:				
City of Ireton:				
Community Development Block Grant	14.218	FY 09		<u>126,455</u> *
Total			\$	594,495

* Total expenditures from these programs exceed 50% of the total Federal Awards and are considered major programs

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the West Sioux Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule 10

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Significant deficiencies in internal control over major programs was disclosed by the audit of the financial statements, and are considered to be material weaknesses.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed an audit finding, which was required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 14.218 – Community Development Block Grant
 - Clustered Programs:
 - CFDA Number 10.553 – School Breakfast Program
 - CFDA Number 10.555 – National School Lunch Program
 - CFDA Number 10.559 – Summer Food Service Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) West Sioux Community School District did not qualify as a low-risk auditee.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule 10

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

There were no prior year audit findings.

SIGNIFICANT DEFICIENCIES:

II-A-09 Financial Accounting – Segregation of Duties

Observation – One important aspect of internal control is the segregation of duties among employees to prevent an individual from handling duties, which are incompatible. Incompatible duties, for accounting control purposes, are those duties that place a person in a position where they could both perpetuate and conceal errors or fraud. In performing our audit, we noted that one person has primary responsibility for many accounting and financial duties of the District.

Recommendation – The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Education and Superintendent remain actively involved in the financial affairs of the District to provide oversight and review functions. In addition, the District should periodically review the operating procedures and make changes as necessary to obtain the maximum internal control under the circumstances.

Response – District administration understands the nature of the weakness and the necessity for the Board and Superintendent to provide oversight and review functions. We will continue to review procedures of the District and make changes as deemed necessary and practical.

Conclusion – Response accepted.

II-B-09 Financial Reporting

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the District's financial statements. Adjustments were subsequently made by the District to properly include these amounts in the financial statements.

Recommendation – The District should implement procedures to ensure all receivables, payables, and capital asset additions are identified and included in the District's financial statements.

Response – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

Conclusion – Response accepted.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule 10

Part II: Findings Related to the Financial Statements (Continued):

II-C-09 Fixed Asset Management

Comment – During the course of the audit fieldwork and report preparation, it became evident that the accounting procedures and controls as related to fixed assets were not adequate. It was found that there were large variances between the fixed asset records kept by the school and those compiled by an outside third party.

Recommendations – The District should implement procedures to ensure all fixed asset activity is properly captured in the District's financial statements. This process will primarily need to be handled by District staff as all asset additions and deletions will need to be documented and reported to the proper individual, so the fixed asset listing is accurate, whether maintained by the District or a third party.

Response – District administration understands the weakness in this area and will review the procedures to ensure assets are properly reported.

Conclusion – Response Accepted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

III-A-09 Financial Accounting – Segregation of Duties

Observation – One important aspect of internal control is the segregation of duties among employees to prevent an individual from handling duties, which are incompatible. Incompatible duties, for accounting control purposes, are those duties that place a person in a position where they could both perpetuate and conceal errors or fraud. In performing our audit, we noted that one person has primary responsibility for many accounting and financial duties of the District.

Recommendation – The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Education and Superintendent remain actively involved in the financial affairs of the District to provide oversight and review functions. In addition, the District should periodically review the operating procedures and make changes as necessary to obtain the maximum internal control under the circumstances.

Response – District administration understands the nature of the weakness and the necessity for the Board and Superintendent to provide oversight and review functions. We will continue to review procedures of the District and make changes as deemed necessary and practical.

Conclusion – Response accepted.

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Schedule 10

Part III: Findings and Questioned Costs For Federal Awards (Continued):

III-B-09 Financial Reporting/Grant Administration

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the District's financial statements. In addition, adjustments were required to be made to the District's Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the District to properly include all amounts in the Schedule of Expenditures of Federal Awards.

Recommendation –The District should implement procedures to ensure all receivables, payables, and capital asset additions are identified and included in the District's financial statements and that the Schedule of Expenditures of Federal Awards is properly completed.

Response – The District understands the nature of the weakness and will double check these items in the future to avoid missing any receivables, payables, capital asset transactions, or adjustments to the Schedule of Expenditures of Federal Awards.

Conclusion – Response accepted.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-09 Certified Budget – Expenditures for the year ended June 30, 2009 exceeded the amounts budgeted in the non-instructional and other expenditures functions. The District also exceeded its unspent authorized budget for the year ended June 30, 2009.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget. The District should contact the Iowa Department of Education and the School Budget Review Committee to resolve the unspent authorized budget issue.

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded. The School is currently working with the School Budget Review Committee on a budget balancing plan.

Conclusion – Response accepted.

IV-B-09 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-09 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule 10

Part IV: Other Findings Related to Statutory Reporting (Continued):

IV-D-09 Business Transactions – Business transactions between the District and District officials are detailed as follow:

<u>Name, Title, and Business Connection</u>	<u>Transaction/ Description</u>	<u>Amount</u>
Mary Johnson, District Employee Owner of Truesdell Oil Company	Gas/Fuel	\$ 35,990
Scott Vreeman, Employee Spouse Owner of Siouxland Propane	Fuel/Repair	\$ 48,932

In accordance with an Attorney General's opinion dated November 9, 1976, the above transactions do not appear to represent a conflict of interest as the transactions were competitively bid.

<u>Name, Title, and Business Connection</u>	<u>Transaction/ Description</u>	<u>Amount</u>
Ryan Schwiesow, Board Member Owner of Back to Health	Student Physicals	\$135

The above transaction does not appear to represent a conflict of interest since the amount was less than \$1,500 during the year.

IV-E-09 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-F-09 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-09 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-I-09 Certified Annual Report – The Certified Annual Report was certified timely to the Department of Education.

IV-J-09 Categorical funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

WEST SIOUX COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule 10

Part IV: Other Findings Related to Statutory Reporting (Continued):

IV-K-09 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning Balance	\$	-
Statewide sales and services tax revenue		540,943
Expenditures/transfers out:		
School Infrastructure:		
Buildings	\$114,340	
Debt Service for School Infrastructure:		
General Obligation Debt	426,603	
Ending Balance	\$	-

IV-L-09 Student Activity Fund – In accordance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1), monies in the Student Activity Fund should be used to support only the extracurricular and co-curricular activities offered as part of the District's educational program. There are several activities reported in the Special Revenue, Student Activity Fund that do not appear to be extracurricular or co-curricular in nature.

Recommendation – The District should review all accounts and reclassify to the appropriate fund in accordance with the guidelines if necessary.

Response – We will review the activity in the accounts and will reclassify to the General Fund if considered necessary.

Conclusion – Response accepted.

IV-M-09 Deficit Balances – The General Fund, School Nutrition Fund, and Preschool Fund had deficit fund balances at June 30, 2009.

Recommendation – The District should continue to investigate alternatives to eliminate these deficits in order to return these accounts to a sound financial condition.

Response – The District will closely monitor expenditures during the year in hopes of eliminating the deficits in these funds.

Conclusion – Response accepted.

**WEST SIOUX COMMUNITY SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009**

Schedule 10 (Continued)

There were no prior year findings relating to Federal Awards.

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21 1st Avenue NW
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education of the
West Sioux Community School District

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the WEST SIOUX COMMUNITY SCHOOL DISTRICT, as of and for the year ended June 30, 2009, which collectively comprise the West Sioux Community School District's basic financial statements, and have issued our report thereon dated March 25, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the West Sioux Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Sioux Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Sioux Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the West Sioux Community School District's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control as described in the accompanying schedule of findings and questioned costs as items II-A-09, II-B-09, and II-C-09 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the West Sioux Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiencies described above are material weaknesses.

The West Sioux Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the West Sioux Community School District's responses and, accordingly, we express no opinion on them.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the West Sioux Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the board of education, management, employees and citizens of West Sioux Community School District and other parties to whom the West Sioux Community School District may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of West Sioux Community School District during the course of our audit. If you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 25, 2010



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education of the
West Sioux Community School District:

Compliance:

We have audited the compliance of WEST SIOUX COMMUNITY SCHOOL DISTRICT with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. West Sioux Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of West Sioux Community School District's management. Our responsibility is to express an opinion on West Sioux Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Sioux Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on West Sioux Community School District's compliance with those requirements.

In our opinion, West Sioux Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance:

The management of the West Sioux Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered West Sioux Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the West Sioux Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that

might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items III-A-09 and III-B-09 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We consider items III-A-09 and III-B-09 to be material weaknesses.

West Sioux Community School District's response to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit West Sioux Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the board of education, management, employees and citizens of West Sioux Community School District and other parties to whom West Sioux Community School District may report, including federal awarding agencies and pass-through entities. This report is intended to be and should not be used by anyone other than these specified parties.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 25, 2010

West Sioux Community School

Paul C. Olson., Superintendent, 1300 Falcon Drive, Hawarden, IA 51023
712-551-1461 - Fax-712-551-1367

Schedule of Findings and Questioned Costs Corrective Action Plan June 30, 2009

Department of Education:

West Sioux Community School District, respectfully submits the following corrective action plan for the year ended June 30, 2009.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2009.

The findings from the June 30, 2009 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

SIGNIFICANT DEFICIENCY:

III-A-09 – Financial Accounting – Segregation of Duties – National School Lunch Program Cluster CFDA #10.553, #10.555, and #10.559 – Community Development Block Grant CFDA #14.218

Observation – One important aspect of internal control is the segregation of duties among employees to prevent an individual from handling duties, which are incompatible. Incompatible duties, for accounting control purposes, are those duties that place a person in a position where they could both perpetuate and conceal errors or fraud. In performing our audit, we noted that one person has primary responsibility for many accounting and financial duties of the District.

Recommendation – The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Education and Superintendent remain actively involved in the financial affairs of the District to provide oversight and review functions. In addition, the District should periodically review the operating procedures and make changes as necessary to obtain the maximum internal control under the circumstances.

Response – District administration understands the nature of the weakness and the necessity for the Board and Superintendent to provide oversight and review functions. The District feels that additional personnel would not be cost effective. However, management will continue to monitor all transactions on a regular basis.

III-B-09 – Financial Reporting – Grant Administration – National School Lunch Program Cluster CFDA #10.553, #10.555, and #10.559 – Community Development Block Grant CFDA #14.218

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the District's financial statements. In addition, adjustments were required to be made to the District's Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the District to properly include all amounts in the Schedule of Expenditures of Federal Awards.

Recommendation – The District should implement procedures to ensure all receivables, payables, and capital asset additions are identified and included in the District's financial statements and that the

Schedule of Expenditures of Federal Awards is properly completed.

Response – With limited personnel it is difficult to ensure that all items are captured and reported properly. At this time the Districts feels that additional personnel would not be cost effective, however, management will continue to monitor and double check these areas in the future.

If the Department of Education has questions regarding this plan, please call Paul Olson at 712-551-1461.

Sincerely yours,

WEST SIOUX COMMUNITY SCHOOL DISTRICT

A handwritten signature in cursive script, appearing to read "Paul Olson".

Paul Olson, Superintendent